

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-07 IO-13 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 XMB-02 OPIC-03 OIC-02 /125 W  
----- 089878

R 211420Z JUL 76

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 7716

INFO AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY PANAMA

USMISSION GENEVA

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: ETRD, EAGR, DR

SUBJECT: GEPLACEA SUGAR MEETING IN PANAMA

REF: A) STATE 165902, B) STATE 175782

1. THE FOLLOWING INFORMATION ON THE LATEST MEETING IN PANAMA OF THE GROUP OF LATIN AMERICAN AND CARIBBEAN SUGAR EXPORTING COUNTRIES (GEPLACEA) WAS OBTAINED FROM PUBLIC STATEMENTS AND PRIVATE COMMENTS OF THE TWO DOMINICAN DELEGATES TO THE MEETING, QUIRILIO VILORIO SANCHEZ AND FEDERICO ECHENIQUE, RESPECTIVELY EXECUTIVE DIRECTOR AND SECRETARY OF THE GODR'S SUGAR INSTITUTE (INAZUCAR).

2. WORKING GROUP OF 10 IMPORTANT PRODUCERS (ARGENTINA, BRAZIL, COLOMBIA, COSTA RICA, CUBA, DOMINICAN REPUBLIC, GUATEMALA, MEXICO, PERU, TRINIDAD & TOBAGO) WILL CONTINUE TO MEET IN AN  
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EFFORT TO FORMULATE A COMMON POSITION FOR NEGOTIATING WITH CON-

SUMERS IN THE INTERNATIONAL SUGAR AGREEMENT (ISA).

3. PERHAPS BECAUSE OF LOCAL SENSITIVITIES, DOMINICAN DELEGATES MADE NO REFERENCE TO FORTHCOMING HAVANA MEETING BUT RATHER MENTIONED A CAUCUSING OF GEPLACEA IN OCTOBER THIS YEAR IN LONDON AND ANOTHER GEPLACEA MEETING IN MEXICO CITY THE FIRST WEEK OF DECEMBER.

4. BEFORE THE FORMAL OPENING OF THE PANAMA MEETING, THE PANAMANIAN DELEGATE ATTEMPTED TO INJECT THE QUESTION OF A MINIMUM PRICE OF 20 CENTS PER POUND BUT NO FORMAL DISCUSSION OF A MINIMUM PRICE OCCURRED DURING THE ACTUAL WORKING SESSIONS. IN CONVERSATION WITH EMBOFF, ECHENIQUE TERMED DISCUSSION OF MINIMUM PRICE BEFORE ISA NEGOTIATIONS NEXT SPRING IN LONDON AS INAPPROPRIATE SINCE POSITIONS MUST REMAIN FLEXIBLE.

5. PUBLICLY AND PRIVATELY DOMINICAN DELEGATES TO GEPLACEA STATED THAT THERE WAS NO EFFORT TO WITHHOLD SUGAR EARLIER THIS YEAR FROM THE WORLD MARKET. LOCAL PRESS ACCOUNTS, HOWEVER, HAVE REPORTED GODR DEMARCHE EARLIER TO PHILIPPINES ON LATTER'S TWO LONG-TERM SUGAR COMMITMENTS. VILORIO WAS QUOTED IN LISTIN DIARIO AS SAYING PHILIPPINE DELEGATE AT PANAMA GAVE AN EXPLANATION OF PHILIPPINE SUGAR POLICY TO GEPLACEA WHICH WAS QUOTE CONVINCING AND SATISFACTORY UNQUOTE.

6. VILORIO ALSO SAID THAT PHILIPPINE DELEGATE R. BENEDICTO COMPLAINED THAT LARGE COUNTRIES SUCH AS JAPAN AND CANADA BLOCKED INTERNATIONAL COMMODITY AGREEMENTS WHEN THEY WANTED TO AND THAT PRODUCER COUNTRIES SHOULD NOT SUBMIT BUT RATHER MAKE THEIR WEIGHT FELT.

7. VILORIO SAID THAT AT PANAMA THERE WAS ALSO NO ATTEMPT TO MAKE AN AGREEMENT ABOUT WITHHOLDING SUGAR FROM THE MARKET IN THE FUTURE, A MATTER WHICH IS CONSIDERED TO BE FOR EACH COUNTRY TO DECIDE.

8. DOMINICANS STATED THAT PRESIDENT BALAGUER ATTACHES CONSIDERABLE IMPORTANCE TO ACHIEVING A NEW INTERNATIONAL SUGAR AGREEMENT WHICH WILL ESTABLISH EQUITABLE PRICES FOR PRODUCERS AND CONSUMERS. GODR WOULD PREFER TO SEE A QUOTA SYSTEM RATHER LIMITED OFFICIAL USE

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THAN A BUFFER STOCK ARRANGEMENT IN A NEW ISA AND BELIEVES THAT THIS IS ALSO MAJORITY VIEW IN GEPLACEA.

9. OF APPROXIMATELY ONE MILLION METRIC TONS (MT) OF SUGAR WHICH THE DR WILL EXPORT THIS YEAR, ONLY 150-200 THOUSAND MTS HAVE YET TO BE COMMITTED. MOREOVER, APPROXIMATELY ONE-THIRD OF DOMINICAN ANNUAL SUGAR EXPORTS OVER THE NEXT FIVE YEARS HAVE RECENTLY COMMITTED BY DIFFERENT LONG-TERM SALES CONCLUDED

AFTER SIMILAR SALES OF THE PHILIPPINES.  
HURWITCH

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## Message Attributes

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